

February 6, 2023

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

Dear Provider:

The Michigan Department of Health and Human Services, Behavioral and Physical Health and Aging Services Administration (BPHASA), has received numerous messages requesting clarification about Medicaid coverage for durable medical equipment and supplies covered through the Medicaid State Plan Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) benefits, the MI Choice Waiver program, and Community Transition Services (CTS) benefits. The purpose of this letter is to provide clarification regarding the provision of these items.

Medicaid beneficiaries have access to durable medical equipment through the Medicaid State Plan DMEPOS benefit. The DMEPOS benefit must be utilized before authorizing medical equipment and supplies through other Medicaid benefits and programs including MI Choice Waiver and CTS. Medicaid policy and Federal regulations have always required using Medicaid State Plan benefits before using MI Choice or CTS services. MI Choice and CTS may have covered some DMEPOS items in the past, but this practice does not comply with Medicaid policy.

The information about coverage for DMEPOS is in the Medical Supplier Chapter of the MDHHS Medicaid Provider Manual which can be found here [MDHHS Medicaid Provider Manual](#). There is also a fee schedule for covered DMEPOS that can be found here MDHHS >> Assistance Programs >> Medicaid >> Go to Medicaid >> Providers >> Billing and Reimbursement >> Medical Suppliers/Orthotists/Prosthetists/DME Dealers. DMEPOS providers should further reference the Medicaid Code Rate and Reference Tool in the Community Health Automated Medicaid Processing System (CHAMPS) for the full Healthcare Common Procedure Coding System (HCPCS) code parameters. Some DMEPOS may require a prior authorization for determination of coverage or for a quantity that is more than that allowed under DMEPOS policy.

MI Choice and CTS HCPCS code lists previously included some items that were also covered under the Medicaid DMEPOS benefit. These items have been removed from the respective HCPCS code lists for each program and will no longer be covered through MI Choice or CTS.

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The reimbursement cost for DMEPOS includes installation and set-up of the item. An exception to this is if the installation requires work to be completed by a licensed builder or contractor. Some DMEPOS providers do not employ or have agreements with licensed builders or contractors. In these instances, the installation of the item may be covered separately as a MI Choice or CTS service.

If Medicaid prior authorization has been attempted and coverage denied, MI Choice or CTS may cover the item as permitted per policy. Proof of the denial must be kept in the beneficiary's case record.

Medicare also covers some durable medical equipment and supplies. If Medicare denies an item or supply because it is not medically necessary for the beneficiary, then Medicaid is prohibited from covering the item. If Medicare denied the item for reasons other than lack of medical necessity, Medicaid may cover the item as a DMEPOS benefit. Therefore, the waiver agency or transition agency must obtain a denial from Medicaid before covering the item through the MI Choice Waiver or CTS.

If an item or supply is statutorily excluded from Medicare coverage, the DMEPOS company does not have to bill Medicare first but can submit a claim to Medicaid and indicate the most appropriate CARC code. Statutorily excluded means that Medicare does not cover the item at all. For example, Medicare statutorily excludes HCPCS codes E0241, E0243, E0244, E0245, and E2074. However, the Medicaid DMEPOS benefit includes these items. Therefore, the DMEPOS company does not need to obtain a denial from Medicare and can bill Medicaid directly for items included in those HCPCS codes. (This example does not provide an exhaustive list of Medicare statutorily excluded items.)

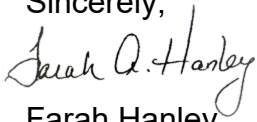
The Service Grid and related codes for supplies and items covered under CTS is located at [Community Transition Services](#).

The HCPCS codes for the Specialized Medical Equipment and Supplies covered under the MI Choice Waiver are listed at [MI Choice Waiver Program](#).

For questions regarding the Medicaid DMEPOS benefit, please call 1-800-292-2550 or send an email to [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov).

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms.

Sincerely,



Farah Hanley

Chief Deputy Director for Health